



Key Investor Information Document

Purpose

The following document contains key information about the investment product. This is not marketing material. This information is required by law to help you understand the nature of this investment product and the risks, costs, potential profits and losses associated with it, and to help compare it to other products.

Warning

You are about to buy a product that is complicated and may be difficult to understand.

Product name: Contract for Difference (CFD) based on Cryptocurrencies

[List of Instruments](#)

ISIN/UPI number

Contract for Difference

Product manufacturer

The manufacturer and distributor of the product is NBH Markets EU Limited which is registered in Cyprus, authorized and regulated by the Cyprus Securities and Exchange Commission (license no. 208/13). The Company is regulated by the Investment Services and Activities and Regulated Markets Law 87(I) 2017

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Competent Authority

Cyprus Securities and Exchange Commission (CySEC)

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What is this Product? - Product type

Derivative instrument being a Contract for Difference with underlying asset crypto pair. It allows you to have indirect exposure to an underlying product/financial instrument (cryptos). You will not own the underlying product/financial instrument but you can make gains or suffer losses as a result of price or value movements in relation to the underlying product or financial instrument to which you have the indirect exposure.

Objectives

The purpose of the product is to give the possibility of active investing in the underlying instrument over short term period without owning it. The rate of return on investment in a product depends on the purchase price and the selling price of the offered product and the size of your positions, as well as the costs associated with the product. The product reflects changes in the prices of the underlying instrument on which it is based. Both loss and profit when opening a position on the product are unlimited, however, the Company offers Negative Balance Protection ensuring that you will not lose more than you invested. When opening a position on a product, you are required to make a deposit, which is the percentage of the total value of the contract in your account which is called the initial margin required. You need to be aware that trading on margin may magnify your potential losses or gains. For example, you believe that there would be a significant volatility on the BTC, so you may decide to purchase the CFD (long position) with the intention to sell it when the price of the pair goes higher than the initial level. The difference between the price at which you buy and sell equals your profit minus any relevant costs if applicable. The same works in other direction, if you believe that the price of the BTC will drop you may sell the CFD (short position) with the intention to buy it later at the lower price, and the same as above the difference between the price at which you buy and sell equals your profit minus any relevant costs if applicable.

Leverage and Margin

CFDs are leveraged financial products allowing investors to trade with higher exposure on the underlying assets compared to the amount invested. Trading CFDs requires only a portion of the market value of the underlying asset to be invested in accordance with the specified leverage requirements, such as 1:2, 1:5, 1:10, 1:20 or 1:30. This means that by using the leverage, investors are able to trade with amounts higher than their initial deposit. The amount required to open a position on CFD is called initial margin and is expressed as a percentage of the value of the underlying asset. Investors should bear in mind that using leverage may increase their potential profits and/or losses.

Intended retail investor

The product is not intended for every investor. The product is intended for retail and professional investors who understand the principles of derivative instruments and the risks associated with them, actively invests in such instruments and at the same time are aware of investment risks. The investor should become familiar with the applicable regulations, take part in available trainings and become acquainted with the demo version of the trading platform in order to obtain the sufficient knowledge and experience to be able to manage risks of leveraged trading. When trading this instrument, you are responsible for opening and closing your position as well as choosing the size of your position and any risk management tools offered, such as stop loss or take profit.

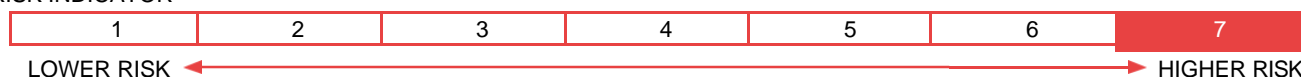
Term

CFDs generally do not have a specific maturity date or minimum holding period or pre-set conditions and will only expire if you choose to close the trade or in case you do not have a margin available to sustain your opened positions.

Risks associated and possible benefits

Risk level

RISK INDICATOR



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 7 out of 7, which is the highest risk class. This rates the potential losses from a future performance at a very high level.

Be aware of currency risk. CFDs on cryptocurrencies also inherently carry a substantial spread risk. Spreads that we offer are based on top-class valuations of crypto exchanges/liquidity providers, with adjustments reflecting: a) transactional cost (commissions) charged by the exchanges; b) depth of the market available at top of the line quotations; c) the multiplication effect of the leverage; and d) liquidity of exchanges and volatility of quotation supplied by them. Typically, the higher are the leverage, volatility of quotations, and commissions charged by the exchange, the higher will be the spreads quoted by the Company. The higher liquidity of the exchanges (i.e. larger depth of the market at each quote), the smaller will be the Company's spreads. An investor may lose all invested capital, understood as a deposit protecting the open position on the product. Therefore, you should ensure that your account possesses the necessary margin to avoid any stop outs. Before, deciding to trade on margin products you should take into consideration your investment objectives, risk tolerance and level of the experience you have obtained on these products. These products may not be appropriate for everyone; therefore, you should ensure that you understand the risks involved and seek independent advice if required. There are several types of trading risk, including leverage risk, which you should be aware of before beginning to trade. Factors that affect the performance of this product include but are not limited to:

- Leverage risk
- Risk of unlimited loss
- Margin risk
- Foreign exchange risk
- Market risk
- Unregulated market risk
- Market disruption risk
- Counterparty risk
- Online trading platform and IT risk
- Conflicts of interest

Performance scenario

*Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.

This key information document is not specific to a particular product, but to the category of products CFD on Cryptocurrency. The table below represents outcomes of profits and losses under various circumstances. In this scenario, we assume you buy a CFD relating to the underlying ETH with volume 1 lot at price of \$283. This means that your notional exposure to the underlying pair is \$283 (1 contract x the price 283). However, keep in mind that you do not need to invest \$283, assuming that you will use the margin of 50% you will only have to deposit \$141.5 which is 50% of the notional exposure of \$283. The same pattern applies in the scenario when you wish to sell a CFD relating to an underlying cryptocurrency with the same volume, price and leverage.

Long Performance Scenario (1 year)	Opening Price	Closing Price	Price Change	Profit/Loss	Return in % on Invested Capital of \$141,5
Favourable	\$283	\$290	2.47%	\$7	4.95%
Moderate	\$283	\$285	0.71%	\$2	1.41%
Unfavourable	\$283	\$280	-1.06%	-\$3	-2.12%
Stress	\$283	\$270	-4.59%	-\$13	-9.19%
Short Performance Scenario	Opening Price	Closing Price	Price Change	Profit/Loss	Return in % on Invested Capital of \$5,800
Favourable	\$283	\$270	4.59%	\$13	9.19%
Moderate	\$283	\$280	1.06%	\$3	2.12%
Unfavourable	\$283	\$285	-0.71%	-\$2	-1.41%
Stress	\$283	\$300	-2.47%	-\$17	-12.01%

The scenario above represents potential performance of your investment. Please bear in mind that a volatile price movement can rapidly lead either to profit or loss on your investment, and a small percentage of the price change could result in significant changes in your potential returns or losses due to the effect of the leverage.

Costs over time

The table below shows the amounts that are deducted from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product [and how well the product is doing (if applicable)]. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

*We have assumed holding periods of 1, 3 and 5 years and an investment of \$ 100 000 and used BTCUSD as an example.

Client opens a long position of 1 lot on BTCUSD at a price 37 612.11 paying commission of \$1692.54 (4.5%). The relevant Swap points quoted are -20.6107/-20.9810 for short and long swap respectively and the required margin amounts for 50% (\$ 18 806).

Cost Type	Ask	Bid	Margin	Total Cost	Percentage of margin
Spread (37612.11-37370.95)* 1	37612.11	37370.95	\$ 18,806.06	\$ 241.16	1.28% of margin
Commission for opening (37,612.11 * 0.045)		-		\$ 1692.54	9.00% of margin
Commission for closing		-		\$ 0.00	0% of margin
Short Swap (-20.6107 * 365 days) client's cost	-20.6107	1 year		\$ (7,522.91)	40.00% of margin
Long Swap (-20.9810 * 365 days) client's cost	-20.9810	1 year		\$ (7,658.05)	40.72% of margin

Short Swap	-20.6107	3 years	\$ (22,568.74)	120.01% of margin
Long Swap	-20.9810	3 years	\$ (22,974.15)	122.16% of margin
Short Swap	-20.6107	5 years	\$ (37,614.56)	200.01% of margin
Long Swap	-20.9810	5 years	\$ (38,290.25)	203.61% of margin

	If you exit after 1 year	If you exit after 3 years	If you exit after 5 years
Total costs paid	\$(9,486.61)	\$(24,502.44)	\$(39,548.26)
Annual cost impact	-9.48%	-24.50%	-39.54%

What happens if NBH Markets EU is unable to pay out?

NBH Markets EU Ltd is a member of the Investor Compensation Fund within the definition of Directive D187-07 of the Cyprus Securities and Exchange Commission for the continuance of operation and the operation of the CIF Investor Compensation Fund.

The amount of compensation payable to each covered client is calculated in accordance with the legal and contractual terms governing the relation of the covered client with the Company, subject to the setoff rules applied for the calculation of the claims between the covered client and the Company. The calculation of the payable compensation derives from the sum of total established claims of the covered client against the Company, arising from all covered services provided by the Company and regardless of the number of accounts of which the client is a beneficiary, the currency and place of provision of these services. Currently, the maximum amount of cover is either the 90% of the cumulative covered claims of the covered investor, or the amount of €20.000, whichever is lower.

What are the costs?

Before you begin to trade Contract for Difference you should familiarize yourself with all commissions, fees, and other charges for which you will be liable. These charges will reduce any net profit or increase your losses. For more information, please visit our [website](#) (section Documents and Announcements – Legal Documents – Contract Specifications and Cost and Charges).

Possible costs associated with Contracts for Difference

One-off costs

Spread

The difference between the bid (sell) price and the offer (buy) price. Spread is dependent on many different factors, including but not limited to, the underlying liquidity and volatility and time of day.

Commission

The fee charged for the service of carrying out the transaction, subject to a minimum fee on small notional trade sizes.

Ongoing costs

Swap points

Swap fee is charged to your account for every night that you hold a position. The amount could be positive or negative depending on the instrument you are holding and whether you are long or short. The longer you hold a position, the more it could cost.

Formula to calculate Swap fee in MT4: $(\text{Swap Rate} * 10^{(-\text{Pip Position})} * \text{Quantity} * \text{Number of Nights})$. Swap Rates are available on both platforms under each product's description.

How long should I hold the product and can I take money out early?

The product has no recommended holding period. Provided that NBH Markets EU and the underlying market is open for trading you can enter and exit your positions at any time during market hours which can be found on our website. Such a decision does not entail any extraordinary costs, other than the standard costs of closing the position. Your position will expire only when you decide to close it or in the event, you do not have the available margin to hold your opened position. You are responsible for monitoring the product at all times in order to determine whether it is an appropriate time to open or close your position. However, please bear in mind that we may close your position without the prior consent in case you do not maintain a sufficient margin, or your position may be closed automatically due to the set of stop loss or take profit.

How can I complain?

Complaints about the products and services offered by NBH Markets EU may be submitted in writing (by post) or in electronic form (by e-mail). If you are not satisfied with the Company's final decision, then you can submit a complaint to the Financial Ombudsman at <http://www.financialombudsman.gov.cy>. Detailed information on the rules of submission, acknowledgment and processing of complaints can be found in the Client Complaint Procedure available on Company's website.

Other relevant information

Additional information on regulations, services and financial instruments traded on the OTC market are available at Company's [website](#).